

Summary of Financial Statements for the First Quarter of the Year Ending December 31, 2021 (J-GAAP) (Consolidated)

May 13, 2021

Company **Segue Group Co., Ltd.**
 Stock Code 3968 URL: <https://segue-g.jp/>
 Representative Yasuyuki Aisu, President and CEO
 Contact Yasuhiro Fukuda, CFO
 Expected date of filing of quarterly report: May 13, 2021
 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: None

Stock Exchange: Tokyo Stock Exchange

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(Rounded down to million yen)

1. Consolidated business results for the three months ended March 2021 (January 1, 2021 through March 31, 2021)

(1) Consolidated results of operations

(Percentages indicate year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q1 FY 2021	3,377	35.5	269	61.9	302	73.4	188	66.2
Q1 FY 2020	2,491	-7.1	166	-22.7	174	-17.4	113	-18.9

(Note) Comprehensive income

Q1 FY 2021: 156 million yen (133.5 %)

Q1 FY 2020: 66 million yen (-64.8%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Q1 FY 2021	16.44		16.16	
Q1 FY 2020	9.88		9.67	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Q1 FY 2021	7,534	3,184	41.4
FY 2020	7,191	3,172	43.7

(Reference) Shareholders' equity

Q1 FY 2021: 3,122 million yen

FY 2020: 3,142 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2020	-	0.00	-	16.00	16.00
FY 2021	-	-	-	-	-
FY 2021 (forecast)	-	0.00	-	16.00	16.00

(Note) Revisions to dividend forecast for the current quarter: None

3. Forecast of consolidated business results for the fiscal year ending December 2021 (January 1, 2021 through December 31, 2021)

(Percentages indicate year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	12,500	13.7	919	9.1	938	7.4	675	6.4	59.20

(Note) Revisions to business forecast for the current quarter: None

***Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement

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|---|--------|
| ①Changes in accounting policies associated with revision of accounting standards: | : None |
| ②Changes in accounting policies other than ① | : None |
| ③Changes in accounting estimates | : None |
| ④Restatement | : None |

(4) Shares outstanding (common stock)

①Number of shares outstanding at the end of period (treasury stock included)

Q1 FY 2021	11,626,635 shares
FY 2020	11,557,035 shares

②Treasury stock at the end of period

Q1 FY 2021	127,589 shares
FY 2020	127,589 shares

③Average number of stock during period (quarterly cumulative period)

Q1 FY 2021	11,456,246 shares
Q1 FY 2020	11,466,586 shares

(Note) The number of treasury shares to be deducted for the purpose of calculating the number of treasury shares at the end of period and the average number of shares during the period (quarterly cumulative period) includes the Company's shares held by the stock benefit trust as trust assets under the J-ESOP plan.

***Quarterly financial summary is not subject to auditing procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The Company does not promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

(Thousand yen)

	FY 2020 (December 31, 2020)	Q1 FY 2021 (March 31, 2021)
Assets		
Current assets		
Cash and deposits	1,727,426	2,346,708
Notes and accounts receivable	2,088,973	1,994,361
Electronically Recorded Monetary Claims	87,262	150,873
Inventories	821,751	487,805
Advance payments - trade	549,329	570,534
Accounts receivable - other	428,133	432,501
Other	104,756	111,100
Allowance for doubtful accounts	-872	-854
Total current assets	5,806,761	6,093,031
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	78,366	67,776
Accumulated depreciation	-45,686	-34,389
Buildings and structures, net	32,679	33,386
Automotive equipment	3,076	3,076
Accumulated depreciation	-2,668	-2,701
Vehicles, net	407	374
Tools, furniture and fixtures	949,448	961,485
Accumulated depreciation	-788,270	-800,921
Tools, furniture and fixtures, net	161,177	160,563
Land	639	639
Total property, plant and equipment	194,904	194,965
Intangible assets		
Goodwill	92,213	86,295
Software	140,484	128,577
Software in progress	7,517	14,297
Other	1,209	1,209
Total intangible assets	241,424	230,379
Investments and other assets		
Investment securities	602,732	668,537
Long-term guarantee deposits	128,223	120,283
Deferred tax assets	109,306	119,628
Insurance funds	85,256	85,142
Claims in bankruptcy	1,447	1,447
Other	22,911	22,605
Allowance for doubtful accounts	-1,339	-1,339
Total investments and other assets	948,538	1,016,304
Total noncurrent assets	1,384,867	1,441,650
Total assets	7,191,628	7,534,681

(Thousand yen)

	FY 2020 (December 31, 2020)	Q1 FY 2021 (March 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	804,759	1,104,091
Short-term debt	-	100,000
Current portion of long-term loans payable	8,028	6,971
Accounts payable	105,145	91,829
Accrued expenses	186,495	152,316
Income taxes payable	247,765	134,046
Accrued consumption taxes	133,890	106,905
Provision for bonuses	2,000	82,941
Advances received	2,183,623	2,235,358
Other	61,829	34,652
Total current liabilities	3,733,537	4,049,113
Long-term liabilities		
Long-term debt	1,830	880
Retirement benefit liability	201,421	207,892
Provision for share-based remuneration	15,553	25,668
Long-term accounts payable - other	66,598	66,598
Total long-term liabilities	285,402	301,039
Total liabilities	4,018,940	4,350,152
Net assets		
Shareholders' equity		
Capital stock	510,772	514,086
Capital surplus	283,272	286,586
Retained earnings	2,393,965	2,399,536
Treasury shares	-100,252	-100,252
Total shareholders' equity	3,087,757	3,099,957
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,168	19,593
Deferred gains or losses on hedges	-805	2,642
Total accumulated other comprehensive income	54,362	22,236
Share subscription rights	30,567	62,335
Total net assets	3,172,688	3,184,528
Total liabilities and net assets	7,191,628	7,534,681

(2) Quarterly Consolidated Statements of Income and Statements of Comprehensive Income

Quarterly Consolidated Statement of Income

First Quarter

(Thousand yen)

	Q1 FY 2020 (January 1, 2020- March 31, 2020)	Q1 FY 2021 (January 1, 2021- March 31, 2021)
Net sales	2,491,955	3,377,171
Cost of sales	1,778,064	2,483,124
Gross profit	713,891	894,047
Selling, general and administrative expenses	547,317	624,286
Operating income	166,574	269,760
Non-operating income		
Interest income and dividends	23	6
Foreign exchange gain	2,780	30,695
Surrender value of insurance	2,942	1,518
Subsidy income	822	323
Other	1,735	672
Total non-operating income	8,304	33,215
Non-operating expenses		
Interest expenses	36	19
Guarantee commission	60	60
Stock issuance cost	150	120
Other	1	0
Total non-operating expenses	248	199
Ordinary income	174,629	302,776
Profit before income taxes	174,629	302,776
Income taxes	75,033	124,768
Income taxes-deferred	-13,788	-10,434
Total income tax	61,245	114,334
Net income	113,384	188,441
Net income attributable to owners of non-controlling shareholders	-	-
Net income attributable to owners of parent	113,384	188,441

Quarterly Consolidated Statement of Comprehensive Income
First Quarter

	(Thousand yen)	
	Q1 FY 2020 (January 1, 2020- March 31, 2020)	Q1 FY 2021 (January 1, 2021- March 31, 2021)
Net income	113,384	188,441
Other comprehensive income		
Valuation difference on available-for-sale securities	-46,506	-35,574
Deferred gains or losses on hedges	54	3,447
Total other comprehensive income	-46,451	-32,126
Comprehensive income	66,932	156,315
Breakdown		
Comprehensive income attributable to owners of parent	66,932	156,315
Comprehensive income attributable to owners of non-controlling shareholders	-	-